## REMARKS

According to the Office Action, claims 1 – 10 are rejected under 35 USC 103(a) as being unpatentable over US Patent No. 5,991,426 (Echizen) in view of International Application Publication No. WO 03/001813 (Kalker). The Office Action erroneously refers to Echizen as US Patent No. 5,991,426, whereas the correct number is US Patent No. 6,970,575. It is requested that the correct patent number be acknowledged by the Examiner.

In response, the rejections are respectfully traversed as lacking sufficient factual support and failing to establish a prima facie case of obviousness in accordance with the established cases and statutory law.

It is respectfully submitted that in the Office Action the Examiner mixes portions of a conventional watermarking method with Echizen's invention, as allegedly disclosing limitations of claim 1. For example, Examiner's citations referring to column 11, lines 57 – 58 and column 2, lines 45 – 52 of Echizen describe a conventional system. Echizen, on the other hand, distinguishes his invention over the conventional system, as clearly stated in the objects of the patent. The portions of Echizen, describing a conventional method, are taken out of context and impermissibly combined with Echizen's invention.

Furthermore, among other things, Echizen fails to teach or suggest Applicant's feature of "modifying said image to increase the global property of its first area and decrease the global property of its second area for embedding the first value of a watermark sample into said image, and to decrease the global property of its first area and increase the global property of its second area for embedding the second value of said watermark sample into said image," as recited in claim 1. The examiner alleges that Echizen discloses this feature in column 4, lines 25 - 30 and column 6, lines 32 - 50. Applicant's representative respectfully disagrees.

Echizen merely teaches altering at least one pixel data located at a predetermined position on a specific coordinate for each of plural bit data constituting the digital watermark information (see column 4, lines 25 - 30 column 6, lines 32 - 50 and of the patent). It is unclear how those portions of the patent are comparable or even related to Applicant's feature of claim 1. It is unclear where those portions teach "modifying said image to increase the global property of its

first area and decrease the global property of its second area for embedding the first value of a watermark sample into said image." It is also unclear where those portions teach "to decrease the global property of its first area and increase the global property of its second area for embedding the second value of said watermark sample into said image." It is respectfully submitted that Applicant's first or second areas are not taught in Echizen's invention. It is further respectfully submitted that Echizen fails to disclose increasing or decreasing the global property of each area for embedding a value of a watermark sample into an image.

If the Examiner still believes otherwise and maintains the rejections based on the same references, he is respectfully requested 1) to **specifically point out** – using column/paragraph, line numbers and reference numerals/characters – where such a disclosure can be found in Echizen; 2) to provide an affidavit stating facts within his personal knowledge; or 3) to provide a prior art reference stating the same, because the examiner's interpretation of Echizen can't be supported by the record.

Kalker is not relied upon in the Office Action for the above features of Applicant's claim 1. Consequently, even if the two references are combined (Applicant's representative does not concede that Echizen and Kalker are combinable, but simply states the above for the sake of argument), the combination would still fail to teach or suggest all the claim limitations of Applicant's invention.

At least for the above reasons, Applicant submits that the rejection of claim 1 has been overcome and can no longer be sustained. Applicant respectfully requests withdrawal of the rejection and allowance of the claim.

Analysis of independent claims 6 and 7 is analogous to claim 1, as presented hereinabove. To avoid repetition, claims 6 and 7 will not be discussed in detail with the understanding that they are patentable at least for the same reasons as claim 1.

Claims 2-5 and 8-10 depend from independent claims, which have been shown to be allowable over the prior art references. Accordingly, claims 2-5 and 8-10 are also allowable by virtue of their dependency, as well as the additional subject matter recited therein.

An earnest effort has been made to be fully responsive to the examiner's correspondence and advance the prosecution of this case. In view of the above amendments and remarks, it is believed that the present application is in condition for allowance, and an early notice thereof is earnestly solicited.

Please charge any additional fees associated with this application to Deposit Account No. 14-1270.

Respectfully submitted,

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